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April 4, 2005

To: Supervisor Gloria Molina, Chair
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Supervisor Michael D. Antonovich

From: David Sanders, Ph.D., Director

A handwritten signature in dark ink, appearing to be "DS", is written over the name "David Sanders" in the "From:" line.

**NOVEMBER 12, 2003 BOARD AGENDA ITEM #20: TITLE IV-E WAIVER
DEMONSTRATION PROJECT**

This is to provide your Board an update regarding the status of the Department's Title IV-E Waiver Demonstration Project Proposal and the application for the waiver submitted by the California Department of Social Services to test a capped allocation funding strategy.

The Board of Supervisor's approved the Department's proposal on February 17, 2004 and the proposal was submitted to the California Department of Social Services (CDSS) on the same date. After considerable discussions with the State, CDSS submitted their application to the U.S. Department of Health and Human Services on May 25, 2004. This application was a much abbreviated version of the Los Angeles County proposal and did not contain the level of detail that was included in the Department's proposal to the State. The State application called for up to 20 counties to be eligible to apply for the demonstration project and that the specifics of their program elements would be determined as part of the county applications.

At the request of the U.S. Department of Health and Human Services (US DHSS), CDSS submitted additional information on October 19, 2004, however this material did not contain specific details for the capped allocation model requested by the US DHHS. To facilitate moving forward with the proposal, a conference call was held with staff from the US DHHS Children's Bureau and CDSS on December 30, 2004 to discuss the specific information needed and to establish a timeline for the proposal to be approved.

On January 12, 2005, CDSS met with representatives from 9 counties who expressed interest in participating in the Waiver Demonstration Project. These counties included Alameda, Los Angeles, Orange, Sacramento, San Francisco, Humboldt, Placer, Santa Clara and Yolo. The purpose of that meeting was to develop a Statewide capped allocation model to be used for counties participating in the Waiver Project.

On March 11, 2005, CDSS submitted the new proposed capped allocation model and evaluation design. The cost components for the capped allocation base would include foster care maintenance payments and child welfare services administrative costs. The proposal excludes costs in the following areas:

- Training
- Licensing
- Adoption administration and assistance
- Non-recurring adoption cost reimbursements
- SACWIS
- Probation foster care maintenance payments and foster care administrative costs.

At the request of the U.S. Department of Health and Human Services, CDSS gathered historical data from the five largest counties interested in participating in the demonstration project (Alameda, Los Angeles, Orange, Sacramento and San Francisco) to illustrate an example of the projected capped allocation base rate and growth rate. Using this example, the projected growth rate for the project will be recalculated to 3.99%.

On March 20, 2005, I met with Joan Ohl, Commissioner for the Administration of Children, Youth and Families, U.S. Department of Health and Human Services. Ms. Ohl indicated that she believed that the US DHHS now had sufficient information to proceed with fully considering California's application and was optimistic regarding its prospects.

I will provide your Board a further update regarding California's application status upon completion of negotiation of the terms and conditions for the Demonstration Project between CDSS and US DHHS.

Please feel free to contact me if you have any questions, or your staff may contact Helen Berberian, Board Relations Manager at (213) 351-5530.

DS:JS:mhm

c: Chief Administrative Officer
Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller